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13 August 2021

Subject: Management Discussion and Analysis (MD&A) for the Three-Month and Six-month periods ended June 30, 2021

**To: The President, the Stock Exchange of Thailand
The Secretary, the Office of the Securities and Exchange Commission (SEC)**

Christiani & Nielsen (Thai) Public Company Limited hereby submits the Management Discussion and Analysis (MD&A) Report for the three-month and six-month periods ended June 30, 2021.

Management Discussion and Analysis (MD&A)

The Thai economy in the second quarter of 2021 was affected by the third wave of the COVID-19 outbreak. Private consumption remained weak despite a slight improvement following the relaxation of containment measures. The tourism sector has not recovered as international travel restrictions remained. Merchandise exports, however, continued to perform well in line with trading partners' demand which subsequently supported manufacturing production and private investment. Meanwhile, public spending continued to play a role in supporting the economy with expansions in both the current and the capital expenditures from the same period last year. However, investment in the construction sector continued to decline due to weak domestic demand as well as the containment measures on construction sites. (Source: BOT - 30 Jul. 21).

Financial Performance

The results, reviewed by EY Office Ltd., show the latest financial position of the Company. In the first half 2021, the Company recorded total revenues of THB 3,514 million, a decrease of THB 170 million or 4.6% from THB 3,684 million in the same period of the previous year and a gross profit of THB 151 million, a decrease of 18.1% from THB 185 million in the same period of 2020 due primarily to a drop in the total revenue of THB 170 million. However, the Company still posted a net profit before tax of THB 25 million in this period as compared with the net profit before tax of THB 31 million in the same period last year.

As of 30 June 2021, the Company had total assets of THB 5,792 million, total liabilities of THB 3,717 million and total shareholder's equity of THB 2,075 million.

The upcoming SET Opportunity Day (quarterly investor presentation) will be held at 13.15 - 14.00 hours on the 24th of August 2021 via the SET live web casts. We hope that many shareholders, investors and analysts will attend this online event at which the Company will get a chance to thoroughly discuss the results for first half of 2021.

	FOR THE THREE -MONTH PERIOD ENDED 30 JUNE				FOR THE SIX -MONTH PERIOD ENDED 30 JUNE			
	(unit : Million Baht)				(unit : Million Baht)			
	Consolidated financial statements				Consolidated financial statements			
	2021	2020	Var.		2021	2020	Var.	
			Inc. / (Dec.)	% Inc. (Dec.)			Inc. / (Dec.)	% Inc. (Dec.)
Revenues								
Construction income & revenue from sales and services	1,780.8	1,797.3	(16.7)	(0.9%)	3,507.4	3,676.7	(169.3)	(4.6%)
% of total revenues	99.78%	99.78%			99.81%	99.80%		
Others income	3.9	3.9	(0.0)	(0.7%)	6.7	7.3	(0.5)	(7.5%)
Total revenues	1,784.5	1,801.2	(16.7)	(0.9%)	3,514.1	3,684.0	(169.8)	(4.6%)
Costs of construction & cost of sales and services	1,701.5	1,694.3	7.2	0.4%	3,356.4	3,492.3	(135.9)	(3.9%)
Gross Margin	79.2	103.0	(23.9)	(23.2%)	151.1	184.5	(33.4)	(18.1%)
% Gross Margin	4.45%	5.73%			4.31%	5.02%		
Expected credit losses	-	-	-	-	3	-	3	-
Administrative expenses	66.9	78.0	(11.1)	(14.2%)	128.7	149.3	(20.6)	(13.8%)
% Administrative expenses / Total revenues	3.75%	4.33%			3.66%	4.05%		
Profit from operating activities	16.1	28.9	(12.8)	(44.3%)	26.1	42.4	(16.3)	(38.5%)
Finance income	1.7	1.6	(0.0)	(1.5%)	4.4	3.6	0.8	21.6%
Finance cost	(3.0)	(7.6)	(4.6)	(60.4%)	(5.8)	(14.8)	(9.0)	(60.9%)
Profit before income tax expenses	14.8	23.0	(8.3)	(35.9%)	24.7	31.2	(6.6)	(21.0%)
Corporate income tax	0.2	5.7	(5.4)	(96.0%)	(2.2)	7.7	(9.9)	(128.3%)
Net Profit for the period	15.0	28.6	(13.6)	(47.6%)	22.5	38.9	(16.3)	(42.0%)
% Net Profit / Total revenues	0.8%	1.6%			0.6%	1.1%		
Earnings per share								
Basic earnings per share								
Profit attributable to equity holders of the Company (Baht)	0.013	0.028	(0.015)	(53.4%)	0.020	0.038	(0.018)	(47.5%)

Net Profit

The consolidated financial statements show a net profit of THB 15 million for the 2nd quarter of 2021, a decrease of THB 14 million from a net profit of THB 29 million in the same quarter of the previous year. This was mainly due to a THB 16.7 million or 0.9 % decrease in construction income and revenue from sales and services from THB 1,797 million in 2nd quarter of 2020 to THB 1,781 million in the same period this year due to the effects of the coronavirus 2019 (COVID 19) situation as mentioned above. The gross margin percentage in 2021 dropped from 5.7% in 2020 to 4.5%, mainly due to material cost overruns because of the sharp increase in steel prices resulting in the Company's gross profit decreasing by THB 24 million. However, the Company's administrative expenses decreased by THB 11 million due to a better management and cost cutting measures and there was also a decrease in the finance cost of THB 5 million.

The consolidated financial statements show a net profit of THB 23 million for the first half of 2021, a decrease of THB 16 million, or 42%, from the same period of the previous year with a corresponding decrease in net profit before income tax of THB 7 million. In the first half of 2021, the total revenue was THB 3,514 million, a decrease of THB 170 million or 4.6% from THB 3,684 million in the first half of 2020. The gross profit margin decreased to 4.3% from 5%, resulting in the Company's gross margin in absolute terms decreasing by THB 33 million or 18.1% for the above mentioned reasons. Administrative expenses decreased by THB 21 million from the previous year due to improved cost management, other expenses shrank by THB 18 million, and depreciation for this 1HY/2021 was THB 3 million less than that in the same period last year since some assets are fully depreciated during this year. In the 1HY/2021 the Company set up the allowance for expected credit losses of THB 3 million. Finance income rose by THB 1 million against a THB 9 million decrease in the finance cost since the average short term loans and bank overdrafts in the 1HY/2021 were lower than those of the 1HY/2020. The Company and its

subsidiaries posted deferred corporate income tax in 1HY/2021 of THB 2 million, resulting in the net profit in the 1HY/2021 standing at THB 23 million.

Analysis of statements of financial position

(unit : Million Baht)

	Consolidated financial statements			
	30 Jun. 21	31 Dec. 20	Inc. (Dec.)	% Inc. (Dec.)
Assets				
Cash and cash equivalents	175.1	239.1	(64.0)	(26.7%)
Trade and other receivables	715.2	1,488.6	(773.4)	(52.0%)
Contract assets	2,104.4	1,751.5	352.9	20.1%
Inventories	97.2	59.6	37.6	63.2%
Advance payments to subcontractors	325.4	439.3	(113.9)	(25.9%)
Withholding tax deducted at source	385.6	306.7	78.9	25.7%
Other current assets	20.1	22.5	(2.4)	(10.6%)
Total current assets	3,823.0	4,307.3	(484.3)	(11.2%)
Other non-current financial assets	107.3	106.7	0.6	0.5%
Investment properties	287.5	287.5	-	0.0%
Property, plant and equipment	1,356.1	1,352.2	3.9	0.3%
Right-of-use assets	194.7	281.7	(87.0)	(30.9%)
Other non-current assets	23.8	25.5	(1.7)	(6.5%)
Total non-current assets	1,969.4	2,053.6	(84.2)	(4.1%)
Total assets	5,792.4	6,360.9	(568.5)	(8.9%)
Liabilities				
Bank overdraft and short-term loans from financial institutions	57.7	40.3	17.4	43.3%
Trade and other payables	1,974.4	1,977.3	(2.9)	(0.1%)
Contract liabilities	1,051.5	1,517.0	(465.5)	(30.7%)
Short term provision	218.4	218.4	0.0	0.0%
Liabilities under lease agreements	122.5	185.8	(63.3)	(34.1%)
Other liabilities	293.2	319.3	(26.1)	(8.2%)
Total liabilities	3,717.7	4,257.9	(540.2)	(12.7%)
Shareholders' equity				
Share capital	1,027.9	1,027.9	-	0.0%
Share Premium	100.0	100.0	-	0.0%
Equity attributable to Owners of the Company	2,050.7	2,081.2	(30.5)	(1.5%)
Non-controlling interests of the subsidiary	24.0	21.7	2.3	10.8%
Total shareholders' equity	2,074.7	2,102.9	(28.2)	(1.3%)
Total liabilities and shareholders' equity	5,792.4	6,360.9	(568.5)	(8.9%)

Assets

As of 30 June 2021, the total assets as stated in the consolidated financial statements stood at THB 5,792 million, a decrease of THB 569 million or 8.9% compared to that as at 31 December 2020. This was due to a decrease in the current assets of THB 484 million and non-current assets of THB 84 million, for the following reasons.

Current assets decreased by THB 484 million, due to the decrease of THB 773 million in trade and other receivables, and THB 114 million in advance payments to subcontractors attributed to lower construction income. Cash and cash equivalents declined by THB 64 million. Contract assets and inventory increased by THB 353 million and THB 38 million respectively, and so did the withholding tax deducted at source by THB 79 million.

Non-current assets dropped by THB 84 million, mainly due to a decrease of right of use assets of THB 87 million (transfer to PP&E of THB 68 million, acquisition in the period of THB 9 million and depreciation for the period of THB 28 million) and an increase in property, plant and equipment net of depreciation of THB 4 million.

Liabilities

As of 30 June 2021, total liabilities were THB 3,718 million, a decrease of THB 540 million or 12.7% from those of 31 December 2020. Most of the decrease was attributed to the decrease of THB 466 million in contract liabilities. The liabilities under lease agreements, net of cash repaid on certain lease agreements, decreased by THB 63 million. Trade and other payables dropped by THB 3 million and other liabilities dropped by THB 26 million mainly due to deferred output VAT. However, in this period ended 30 June 2021, the Company's subsidiary had an increase in short-term loans from financial institutions of THB 17 million for its working capital.

Shareholders' equity

As of 30 June 2021, the shareholders' equity of the Company was THB 2,075 million, a decrease from 2020 of THB 28 million or 1.3% mainly, because in the 1st half of 2021, the Company posted profit after tax of THB 23 million, but made a dividend payment of THB 51 million in this period to shareholders from net profit of 2020.

Key Financial Ratios

The Company's liquidity at the end of 2Q/2021, when compared to that at the end of year 2020, remained nearly the same, as seen from the Current Ratio in the table below. The debt to equity ratio was 1.79 times, an improvement from 2.02 times at the end of 2020, which was attributable to the decrease in liabilities as explained above.

		30 Jun. 21	31 Dec. 20
Current Ratio	Times	1.12	1.09
Debt to Equity Ratio	Times	1.79	2.02

Please be informed accordingly.

Yours faithfully,
Christiani & Nielsen (Thai) Public Company Limited




 – Signature –
 (Surasak Osathanugraha)
 Director and Company Secretary